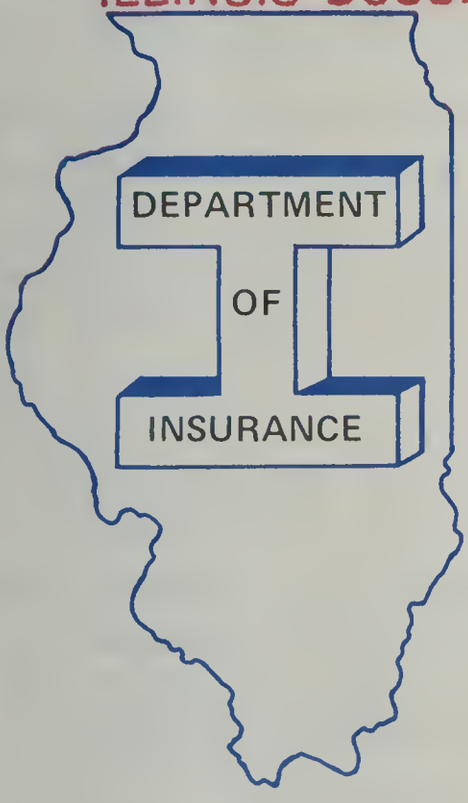
I368.38
WHAT
c.3

13846196

ILLINOIS STATE LIBRARY

JUN 26 1986

ILLINOIS DOCUMENTS



What You Should Know about Cancer Insurance

Published by the
Illinois Department of Insurance
20M 4-86

1. Introduction

In the past several years a great deal has been written about cancer insurance and other types of "dread disease" policies. Yet in spite of the ongoing debate, regulatory authorities, consumer groups and the general public remain divided in their opinions of these products.

One position is that the premiums are low, the benefits are generally high and are paid in addition to any other insurance. Some consider the benefits as cushions against additional related expenses not covered by their other health coverage.

Opposing views are that the cost of a "dread disease" policy is actually high when considering the odds against ever collecting benefits and that cancer supplemental insurance is unnecessary because in most cases the loss would be covered by regular health insurance.

The Illinois Department of Insurance neither advocates or discourages the purchase of cancer insurance. We allow the sale of these insurance policies in Illinois because we believe that you, the consumer, should be free to make your own choice.

At the same time, we believe that you should be very careful in selecting any type of limited health coverage.

This pamphlet calls your attention to those basic provisions in a cancer policy which limit benefits and tend to be confusing. If you read the policy carefully, question your agent about provisions that are unclear to you, and honestly assess your financial condition and state of health, you should be able to make the decision that is right for you.

2. What Is Cancer Insurance?

Generally, there are two types of cancer policies sold in Illinois. The first pays for all benefits listed up to the policy's maximum dollar limit.

The second type also pays for all benefits listed, but places a fixed dollar limit on each individual benefit allowed.

The most important fact to remember is that cancer insurance is limited to coverage for the actual treatment of cancer and related illnesses caused by cancer or resulting from cancer therapy (such as infections, diabetes and pneumonia).

Cancer insurance is **not** a **substitute** for basic health insurance or for medicare supplement insurance. It should be purchased only in addition to one of these programs.

Your **first priority** should be insurance which covers health care expenses regardless of the kind of illness or injury involved.

If you are protected by sound, basic health insurance and still want and can afford additional coverage, then you should take a close look at the policies available.

Take the time to carefully consider your insurance needs before making your decision. **Do not** let "scare tactics" pressure you into buying a policy.

If you do purchase a policy and change your mind for any reason, under Illinois law you may return it to the company within ten days of its delivery for a full premium refund. You should return the policy by certified mail and request a return receipt.

3. Types of Benefits

Since cancer policies do differ in the benefits provided, be sure you read the contract carefully and understand exactly what benefits are being offered.

Some cancer policies will not pay for benefits unless you are **confined** in the **hospital**. There are also some cancer expenses that may not be covered even by a cancer policy.

Most cancer policies will provide some coverage for:

- Hospital room and board;
- Treatment by a legally qualified physician;
- Private duty nursing care while hospital confined;
- Surgery and anesthesia;
- X-ray, radiation therapy, chemotherapy, and other therapy procedures used in the treatment of cancer;
- Licensed or professional ambulance service to and from the hospital;
- Blood and blood plasma for transfusions;
- Prescription drugs and medicines **recognized** by the Food and Drug Administration as medically effective—usually applies only when received during a hospital confinement.

I 36.1, 57
WHAT
2, 3

4. Types of Limitations

Most cancer policies contain several provisions which specifically limit coverage. Be sure you have a clear understanding of the following:

- **Probationary Periods**—In Illinois you must wait up to 30 days before a cancer policy will pay any benefits. If cancer is diagnosed during this probationary period, you may not be covered.

- **Pre-existing Conditions**—If cancer is diagnosed **after** the probationary period, but **symptoms** were present **prior** to the effective date of the coverage or **during** the probationary period, coverage may be denied.

- **Diagnosis**—Most insurance companies require a **pathology report** (usually obtained from a tissue sample or biopsy) to verify the diagnosis of cancer. If a pathology test is medically unsafe, a clinical diagnosis will be accepted.

- **Duplicate Coverage**—Carefully review the benefits of your existing policies to avoid unnecessary duplication. You cannot always assume that double coverage will mean double benefits.

- **Renewability**—Some cancer policies are guaranteed renewable and may not be cancelled by the company. Others are renewable only at the company's option.

ILLINOIS STATE LIBRARY
3 1129 00360 6324

5. If You Decide To Buy

- **Do not pay** the agent in **cash**. Always make your check payable to the insurance company and write on the check what policy you are buying.

- When you receive your policy, read it carefully. Make certain that all information on the application is accurate and complete. If you do not understand the policy, question your agent until you are certain of what you are buying. **Do not** buy a policy you don't understand.

- Be suspicious of an agent who tries to change a policy statement or waive any of its provisions. No agent has that authority.

- If you are turned down for insurance, ask for the specific reasons. If you have had cancer in the **past**, most companies will **not issue** you a cancer policy.

- If you still have questions, contact the Illinois Department of Insurance at one of the following locations:

  100 West Randolph, Suite 15-100
  Chicago, Illinois 60601
  (312) 793-2427

  or

  320 West Washington St., Fourth Floor
  Springfield, Illinois 62767
  (217) 782-7445

New telephone numbers:
(312) 917-2427 (Chicago)
(217) 782-7446 (Springfield)

UNIVERSITY OF ILLINOIS-URBANA
3 0112 122590638